From: Minkey, David M - DNR < David.Minkey@wisconsin.gov>

Sent: Wednesday, March 4, 2015 3:08 PM

To: Nessmann, Mark <Mark.Nessmann@experaspecialty.com>
Cc: Farley, Michelle M - DNR <Michelle.Farley@wisconsin.gov>
Subject: RE: Expera Thilmany mill draft construction permit comments

Attach: 14-DMM-191 Draft Permit.docx

Mark,

Thanks for the comments. I have reviewed your comments and also looked into the questions you raised during our recent phone conversation. Below are my responses. Your comments are listed in black test first and then my responses follows in blue text. Please give me a call if you would like to discuss any of my responses or have further comments. Thanks.

Draft permit comments

Page 2: Comment on shaded areas of permit.
 I corrected the permit to only shade things that are being changed as part of this permit.

2. Page 3, condition A.1.a.(2): "Need clarity that these new limits don't apply until the baghouse is constructed and operational."

When the new limits apply is already addressed in condition ZZZ.10.a.(3). However, I re-wrote ZZZ.10.a.(3). The boilers will be considered modified for purposes of determining when the new limits in the permit apply (other than the MACT limits which apply after 1/31/17) after the DSI injection system becomes operational. Previously, I used the baghouse construction date as the trigger, but after some internal discussions we decided the baghouse doesn't really modify the boilers whereas the DSI system does since it will be adding particulate to the exhaust stream. I re-wrote conditions ZZZ.10.a.(1) and (3) in the attached updated draft permit to reflect this.

- 3. Page 3, condition A.1.b.(3): "If we install a PM CEMS (certified system) there should be no stack test requirement every 24 months if we put in a PM CPMS (not certified) what does that do if anything to the stack test requirement? If we have to do stack testing will it have to be when only B07 is running or would we do a test with all three boilers running and compare the result to the average limit of 0.039 lb/mmBtu?" Particulate matter compliance testing every 24 months will be required under NR 439.075 regardless of whether a PM CEMS or CPMS is installed to comply with MACT. This is because the compliance testing required under NR 439.075 is for total particulate matter (filterable + condensible) whereas the PM CEMS or CPMS would only be measuring filterable. Note the compliance testing under NR 439.075 applies to an "emission point", so once boilers B07, B09 and B11 are combined into a single stack, only one stack test would actually be required. But, because boilers B07 and B09 are subject to a PM limit of 0.15 lb/mmBtu under NR 415.06(2)(a) and boiler B11 is subject to a PM limit of 0.10 lb/mmBtu under NR 415.06(2)(c), if you chose to do one test with all three boilers running, the result would need to be less than 0.10 lb/mmBtu to demonstrate compliance. Otherwise, you could choose to test B07 and B09 and compare vs. 0.15 lb/mmBtu and then test B11 and compare vs. 0.10 lb/mmBtu. I am working on re-writing the stack testing requirement to reflect the change in what needs to be tested once the boilers are combined into a single stack.
- 4. Page 3, condition A.1.c.(2): "Why would 100% of method 5 be considered PM10 and 2.5" and "What's the assumption here on 10 and 2.5"

Carol wrote this condition for her draft renewal and I copied it into my permit. However, I'm not crazy about the way it is written so I have replaced it with the standard test method language for PM10 and PM2.5. What Carol was getting at here was that if you tested for PM using Method 5 and 202 and that test result showed

compliance with the PM10 and PM2.5 limits even if you assume all of the PM is PM10 and PM2.5, then you wouldn't need to test PM10 and PM2.5. Note that the way I re-wrote it requires Method 201A and 202, but allows an alternate method approved in writing by the Department. So, it gives the same flexibility Carol was trying to give since it allows an alternate method approved by the Department (which could be method 5 and 202 and assuming everything is PM10 and PM2.5).

5. Page 4, condition A.1.b.(6): "Need more than 12 months for operational flexibility – why cant it be 26 months like it now is for the ESP? Probably should remove the word "internal".

I re-wrote this condition as "6) The permittee shall perform periodic inspections of the baghouse as recommended by the manufacturer to ensure that the control equipment is operating properly. [s. 285.65(3), Wis. Stats.; 14-DMM-191]"

6. Page 7, condition A.6.a.(4): "these limits are only applicable when B07 is operating on its own other there is an average limit with the coal boilers."

Acknowledged. I believe that the emissions averaging provisions in sections AAA.8 and AAA.14. reflect this. I did add a footnote to this section of the permit stating "Note that when multiple boilers are operating at the same time, the permittee may average emissions as allowed under 40 CFR 63, Subpart DDDDD. See section AAA.8. and 14. of this permit."

7. Page 7, after condition A.6.a.(4): "We need a section here that talks about the ability to get a higher limit by using output based limits with a combination of steam and electrical output per IBMACT and ability to qualify for credits due to energy efficiency projects completed. Site federal citation and state we can apply to DNR to get those limits based on what we submit at a later date but prior to 1/31/17 What would be the process to select a methodology and then change that at a later date? Do we need a process for changing which limit we comply with or just inform DNR as we go along?"

Provisions related to output-based limits and energy efficiency allowances are included in sections AAA.8., 11. and 14. As for the methodology for changing limits at a later date, I asked our boiler MACT expert Tom Zelinski and this was his response: "I believe that change is doable. They would likely need to coordinate the change so that all the requirements for a output-based limit are met before they would discontinue their monitoring for the input-based limit. There may be a transition time involved. Certainly different site-specific plans are required. If the change includes the use of an alternative monitoring parameter, the EPA would need to approve the use of the alternative monitoring parameter (See 40 CFR 63.7505(d))." If you want to discuss this more with Tom, he can be reached at (414) 263-8577.

- 8. Page 8, condition A.7.a.(6)(c) and (d): "where does this come from?"
- These items are identical to the requirements for bag leak detectors in the boiler MACT, 40 CFR 63.7525(j)(2) and (3). While the use of a bag leak detection system is not required under the MACT since you'll be installing a PM CEMS or CPMS instead, I did use the requirements for bag leak detectors in the MACT as a model for the requirements in my permit if you choose a bag leak detection and not monitor pressure drop prior as the compliance demonstration method prior to the installation of the PM CEMS or CPMS.
- 9. Page 10, condition B.1.a.(1): "All comments for B07 also apply to B09 and B11." Acknowledged. See responses to boiler B07 comments above.
- 10. Page 18, condition O.1.b.(4): "We want inspections as opposed to dP monitoring previous email explained the confusion over the new sources if still an issue lets talk over."

Inspections will be required for the passive venting systems (P501 and P503). Pressure drop monitoring will be required for P502 which uses a baghouse. Note that I rewrote this section of the permit to reflect our previous discussions. P502A and P502B have been combined into P502 which represents the baghouse. C502A and C502B have also been combined into C502, which also represents the baghouse which is both the control device

and the process. See attached updated draft permit.

11. Page 18, condition O.1.c.(2): "No practical way to test these sources."

Acknowledged, but the reference test methods will still be included here. Note that I replaced the Carol test method language with the standard test method language here too. Also note that the test methods allow alternate methods approved by the Department, so if a test method that is feasible for these processes is invented, that method could be used.

12. Page 22, section AAA.3: "Verify that this is all cut and paste out of the federal register."

As I mentioned before, Carol wrote this section for her renewal and I copied it into my permit. I spoke with Carol and she confirmed that she cut and pasted from the CFR.

13. Page 27, section AAA.8.: "Need some clarification here – as the rule originally reads its not clear we can emission average due to having boilers in two categories however EPA has provided further clarification outside the original rule that says emission averaging across categories can be used when going to common stack.

This would be something to discuss with Tom Zelinski and the compliance inspector Michelle Farley. What is in the permit now is what is in the current rule. As you know, the MACT is under reconsideration, so any changes to the rule will be reflected in the revised operation permit that DNR will issue to incorporate this construction permit after the boiler MACT takes effect.

14. Page 60, conditions ZZZ.7.b.(5) and (6): "7.b.(5) and (6) are duplicated"

The duplicate conditions have been deleted.

15. Page 64, condition ZZZ.10.a.(3): "This is not workable. The first time we test the baghouse its operational and the language above says we then have to meet the new limits however those limits are not supposed to kick in until 1/31/17. The problem is how operational is defined."

See response to comment 2. above. The new limit (other than MACT) will apply to the boilers after the DSI system becomes operational.

16. Page 64, condition ZZZ.10.a.(6)(b): "Method 9 visible emissions testing is easy I believe but am not sure whether one will be able to get a blue sky background since this is just a pipe and isn't going to discharge above everything in the surrounding area. I am checking with our stack tester on the feasibility of doing the PM testing. Not sure how that works with small diameter sources."

Acknowledged. As allowed under the permit, if testing is infeasible, you will make that case to Michelle Farley and she will waive the test if she agrees.

17. Page 64, condition ZZZ.10.a.(7)(a): "This needs to come out if this source is not going to be tested." The submittal of the pressure drop range is still required even if a test is not feasible. I re-wrote this to require that the range be "based on observations during compliance testing (if applicable), manufacturer's recommendations..."

Phone Conversation Questions/Comments

18. Is biennial testing of PM required if a PM CPMS is used?

See response to comment 3. above.

19. When are boilers considered "modified" for purposes of when new limits (other than boiler MACT) become effective?

See response to comment 2., above.

- 20. What is the process for changing between input- and output-based limits under the boiler MACT? See response to comment 7., above.
- 21. Does the permit allow for energy efficiency credit as the boiler MACT does. See response to comment 7., above.
- 22. If the allowance to exhaust boilers B07, B09 and B11 to the bypass stacks in instances other than when natural gas is being combustion is being removed from the permit, the preliminary determination should discuss this.

Agreed. The following paragraph has been added to page 3 of the preliminary determination: "As part of this permit, the Department will be removing existing permit conditions that allow Expera to use the boiler B07, B09 and B11 bypass stacks in instances other than when only natural gas is being fired. This construction permit will only allow the use of the bypass stacks when only natural gas is being fired in the boilers since it has not been shown that the emission limits can be met when firing other fuels and/or during startup or shutdown."

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Sent: Wednesday, March 04, 2015 10:58 AM

To: Minkey, David M - DNR

Subject: Expera Thilmany mill draft construction permit comments

Dave

As we talked about I have inserted comments into the attached draft for you to look at. Feel free to contact me with any questions, concerns, or clarifications needed.

Thanks!

Mark Nessmann

Environmental Manager

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